

Own Vs. Rent Analysis

Assumptions: Lease Term of 10 years Starting Lease Rate of \$2.50 FSG 5% annual escalations 1,500 square feet	10 Year Hold Purchase Price of: \$ 750,000.00 25% Down Payment 8.0% Interest Rate- Fixed 25 Years Expenses increase 2% per year: Assumes five (5%) percent annual appreciation 1,500 square feet
---	--

10 YEAR COST TO RENT

Total Rent Consideration:	\$ 566,005.16
Operating Expense Pass Thur:	\$ 8,547.49
Total Money out of Pocket:	\$574,552.65
Value of rent Deduction Write off: (Based on 28%)	\$160,874.74
Total 10 Year Cost of Rent:	<u>\$405,130.42</u>

10 YEAR COST TO BUY

Down Payment (25% of Purchase Price):	\$ 187,500.00
Sum of Mortgage Payments (10 years):	\$ 520,980.00
Operating Expenses:	\$ 100,112.72
Total Money out of Pocket:	<u>\$ 808,592.72</u>
Equity Build up (due to principal reduction of Loan)	\$ 102,820.00
Increase in Value + return of equity	\$ 659,170.97
Depreciation write off :	\$ 324,380.00
Total Possitive Benefits:	\$ 1,086,370.97
Total Possitive Cash Position in 5 years:	\$ 277,778.25

Total Rent Cost:	\$405,130.42
Total Possitive Cash (Own):	\$ 277,778.25
NET DIFFERENCE IN 10 YEAR COST	\$682,908.67

** These numbers are estimates only, and buyer should consult with a CPA and/or attorney prior to any investment decisions and any future tax implecations.